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C O N F I D E N T I A L SECTION 01 OF 03 BRASILIA 000440

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SUBJECT: COUNTERTERRORISM IN BRAZIL: ONE STEP FORWARD, ONE  
BACK (PART 1 OF 2)

Classified By: Ambassador Clifford M. Sobel. Reasons: 1.4 (B) & (D)

¶1. (U) Summary: After a drawn-out process that began in 2004, President Lula on March 25, 2008 issued the decree that will reform the Government of Brazil's intelligence apparatus, including its counterterrorism (CT) structure. The reform is intended to provide a more robust intelligence capability to the government by strengthening the Brazilian Intelligence Service (ABIN), shoring up its centralizing functions, and giving it a more prominent role in producing intelligence on CT-related matters. According to Embassy contacts, this reform could represent a significant step for Brazil in establishing a capability to monitor, deter, and respond to terrorist activities, although significant questions remain as to whether such an integrated system will facilitate or impede the work of the law enforcement units within the GOB that already function with a high degree of efficiency. End summary.

¶2. (U) This cable is the first of two that will look at the Brazilian government's latest actions related to counterterrorism. The second cable will touch on Brazil's reversal on plans to introduce long-delayed counterterrorism legislation.

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Out with the Old...  
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¶3. (U) Issued on March 25, 2008, the President's decree re-structuring the intelligence system in Brazil was an effort that began several years ago and was spearheaded by the Institutional Security Cabinet (or GSI, the Office of the Presidency's office in charge of coordinating intelligence, counternarcotics and national security). It represents the latest reform is a series of changes that have taken place within Brazil's intelligence apparatus since the end of the military dictatorship, reflecting the confused and ambivalent attitude of the new democratic governing class towards the usefulness of a repressive intelligence system that was no longer necessary to maintain the regime's grip on power.

¶4. (U) The first such change occurred in 1990 with the dissolution of the precursor to ABIN, the National Information Service (SNI), five years after the return of civilian rule. It was not until 1995 that ABIN was created by provisional measure, and ever since its creation it has

lacked credibility, resources, and a clear focus. Because of its confused mandate, the Brazilian intelligence system (SISBIN) was created by Public Law 9.883 of 1999 to bring coherence to Brazilian intelligence by serving as the overarching architecture of an integrated intelligence apparatus, which included ABIN, the Federal Police, the intelligence services of the branches of the armed forces, among other security elements. The idea behind it was assign ABIN the lead responsibility of spearheading the task of coordinating information, and to increase coordination between the services through SISBIN. In reality, the system existed in theory, and ABIN had little authority to execute the idea.

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...In with the New  
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15. (SBU) President Lula's reform is centered on strengthening ABIN's capabilities and importance as a civilian intelligence agency, focusing its tasks on key missions, and increasing its role as a centralizer of intelligence. Assistant Secretary Jose Antonio de Macedo Soares, of the Secretariat

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for Monitoring and Institutional Studies, at GSI (and Ministry of External Relations representative to GSI, where he holds the rank of minister) and GSI advisor, Janer Tesch Hosken Alvarenga, told poloff that the two most important changes are the creation of two new departments within ABIN, the Department of Integration of the Brazilian Intelligence System and the Department of Counterterrorism.

16. (U) The creation of the Department of Integration beefs up ABIN's heretofore ambiguous role as an integrator of

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government-wide information by creating an institutional mechanism to marry intelligence, security, law enforcement, financial, and other entities within the GOB. The mechanism provides a physical area within ABIN's spaces for each of the 24 government entities that, in theory, make up the components parts of the SISBIN. Some of these include, the intelligence services of the armed forces, the intelligence service of the Brazilian Federal Police (DPF), the Ministry of Justice through its National Secretariat for Public Security (SENASP), the Financial Activities Oversight Council (COAF), the Central Bank, Receita Federal (Customs), the Highway Police, the Presidency's Casa Civil, and the Office for Combating Drugs and Trans-National Crimes (COCIT) at the Ministry of External Relations. It also includes entities not traditionally oriented towards intelligence such as the Ministry of the Environment's enforcement agency (IBAMA), the National Institute for Social Security (INSS), the National Institute of Colonization and Land Reform (INCRA), the airports authority (INFRAERO), Brazilian Agricultural Research Corporation (EMBRAPA), the Ministry of Labor, the Ministry of Health, the Ministry of Science and Technology, the Ministry of the Environment, and the Ministry of National Integration by way of the National Secretariat for Civil Defense.

17. (U) In an interview with daily newspaper Valor Economico, ABIN Director Paulo Lacerda indicated that the reformulated SISBIN will create space within ABIN facilities for up to 5 representatives of each agency that participates. In the interview, Lacerda took pains to emphasize that ABIN will act as a facilitator, will not demand access to each agency's system, and that full integration will be limited since it will not include sharing of databases. In the interview, Lacerda noted that such integration was essential to leverage information that is flowing through different government entities but that does not get properly transmitted up to the senior levels of the government because of excessive protection of information, often catching them unaware and unprepared to head off multiple public security,

infrastructure, environmental, and social crises. He cited examples such as land invasions, takeovers of critical infrastructure such as hydroelectric dams, problems at airports, terrorist activity, and the outbreaks of gang violence. Focusing on the last one, Lacerda stated that prior to the outbreak of First Capital Command (PCC) violence in Sao Paulo in 2006, the DPF had prior knowledge through an intercepted communications from Recife to Sao Paulo, but that the information did not properly flow through the appropriate Federal and State channels in a timely fashion.

18. (SBU) Echoing Lacerda's comments, Brazilian War College analyst on strategic intelligence Andre Luis Soloszyn, author of numerous articles on counterterrorism topics, told poloff that a major reason for this reform was the government's lack of a strategic warning capability that would anticipate crises, such as the PCC's violence in 2006 and the takeover of the Tucurui hydroelectric dam in the state of Para in May of 2007, which threatened a power cutoff to significant portions of Brazil's north, northeast and central-west regions.

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CT Now a Primary Mission  
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19. (C) Significantly, ABIN's reorganization raises the CT mission up to the department level, placing it on equal footing with the Departments of Strategic Intelligence, Counterintelligence, and Integration of the Brazilian Intelligence System. According to the President's decree, the new department's mission will be to plan and execute actions to prevent terrorist activity in Brazil, as well as collect and produce intelligence on such activities. GSI Assistant Secretary Soares stressed to poloff the significance of this development as a signal--despite whatever statements are made publicly by Brazilian officials about the lack of terrorist activity within Brazil or the failure to introduce CT legislation (septel)--of the GOB's commitment to monitoring and preventing terrorist threats. Alvarenga, who demonstrated an unexpectedly keen

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understanding of the always evolving terrorist threat, told poloff that he hoped the new structure would be better equipped to deal with what he called "alternative scenarios" to the "classic and most publicized terrorist target sets," referring to the rise of independent and homegrown cells that could conduct attacks with little outside assistance or to the gravitation of the larger and more well-known terrorist groups towards softer targets, such as Brazil.

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But Risks Remain  
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10. (SBU) Despite the lifting of the CT mission within ABIN, Soloszyn warned that the reforms, though necessary, were fraught with risks. According to him, ABIN has no credibility within the government where other agencies see it as a lightweight with regards to its intelligence and CT functions in comparison to the effective work of the military intelligence services and the DPF. He cautioned that there was a great risk in strengthening ABIN's hand in coordinating functions within the government. ABIN and SISBIN could "suffocate" the other agencies by miring them in bureaucratic minutiae, thus eroding what are currently effective operations. Increased integration could also leave the intelligence missions subject to ideological or political compromises, since there could be an increase in access and exposure of intelligence information to a larger number of politicized entities in the government. He noted that some entities within the government are either reluctant to work with or incapable of understanding intelligence and CT work, which could paralyze operations.

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Comment:  
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¶11. (C) Brazil has taken a step forward in recognizing the importance of having a strategic intelligence capability and in recognizing the significance of the counterterrorism mission as one of the most significant challenges Brazil faces. On the other hand, the success of this reform is far from assured and the scope of its ambitions may yet meet with resistance from other government agencies. A significant unanswered question is whether the project runs the risk of impeding the timeliness of CT-related intelligence operations by drawing currently effective USG partners, such as the DPF, into bureaucratic quagmires, or by decreasing their independence of action. In addition, the model they have chosen to pursue--sharing building space, but keeping separate offices and maintaining information control in the hands of its component parts--may prove in the end to enhance coordination only marginally. Much will depend on the ability and willingness of the various agency heads to work together. If there is a high-level commitment to cooperation and to protect the effort from political interference, it could better prepare Brazil to head off crises, coordinate its incident response, and draw increasing attention to the issue of counterterrorism. End comment.

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